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NEW SOUTH WALES

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BUSINESS STATISTICS - JANUARY, 1945.

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PART I. PRIMARY AND EXPORT INDUSTRIES.

Seasonal Conditions. Following upon good rains in mid-January, there were further widespread falls late in the month of from one-half to two inches or more over the eastern half of the State, extending to isolated areas further inland. Principal agricultural and dairying regions have had a measure of relief from drought, but extensive pastoral areas still remain parched.

Wool. The Dept. of Commerce estimate of the Australian 1944-45 wool cheque is £66 m., compared with £73.9 m. in 1943-44.

Estimated at 335.1 m. lbs., the United States 1944 wool clip was 8 per cent. below that of 1943, 4 per cent. below the 1931-41 average and the smallest since 1936. In that country the consumption of apparel wool reached the record level of 1,134 m. lbs., in 1944, compared with 514 m. lbs., in 1938 and 674 m. lbs. in 1939. The United States Government stock pile of foreign wool is reported to have been reduced from 330 m. lbs. to 75 m. lbs. and the United Kingdom strategic reserve in the U.S.A. is said to be about 470 m. lbs. Exclusive of these reserves, wool stocks in U.S.A. in July were given as 796 m. lbs. in 1942, 632 m. lbs. in 1943 and 825 m. lbs. in 1944.

It is reported that a French mission has completed arrangements for the supply of British Government owned wool to French manufacturers (possibly 35,000 tons as a first instalment) but transport is a difficulty. According to trade reports the principal French textile mills were virtually undamaged when freed of German occupation.

Wheat. Interim drought relief payments ranging up to 7s. 6d. per acre are already being made to wheat-growers in N.S.W., though Jan. 31., 1945 was the last day for lodgment of applications for relief payments.

By a recent decision the average realization per bushel of wheat sold for purposes other than stock feed is to be the rate per bushel for all wheat in the No. 6 and 7 Pools (1942-43 and 1943-44). In recent months wheat was being used at the rate of about 60 m. bus. a year for stock feed, compared with a pre-war average rate of about 8 m. bus. a year.

Dairying Industry. All major dairying districts have benefited by the recent rains and milk supplies are increasing. An early increase in butter production is expected, but anticipated requirements of milk for other processing may preclude any material increase in cheese production.

Full supplies of milk to metropolitan consumers were restored on Jan. 27, 1945.

GENERAL. Maize. Most N.S.W. spring crops failed completely and although the recent rains will benefit late crops, the season's yield of maize is likely to be much below normal.

Feed Grain Prices. For the coming season guaranteed prices to growers of feed grains at growers' sidings are:-

Oats - Feed Grade	3s. per bushel.
Barley two-row, feed	3s. " "
six-row feed	2s. 9d. "
Grain sorghum	3s. 7d. "

Barley. The production (N.S.W.) target of barley is 23,000 acres, an area 50 per cent. greater than ever sown before. Wheat growers who can are being asked to grow some barley.

Potatoes. The Food Control Organisation states that contracts covering 260,000 acres have been entered into for 1945. Production forecasts are 750,000 tons in Australia including 77,000 tons in N.S.W. Australian production in 1944 was 571,000 tons (131,000 tons for seed) from 194,000 acres.

Dehydrated Vegetables. Targets for vegetables for dehydration in 1945 include potatoes, 132,000 tons; cabbage, 44,700 tons; carrots, 23,000 tons; onions, 7,100 tons; silver beet, 1,850 tons and beetroot, 1,050 tons.

/Eggs...

Eggs. A system -- to ensure priority distribution of eggs to vulnerable groups (children, up to 5 years, expectant and nursing mothers and invalids) is to operate from February 26, 1945. It requires registration of eligible persons by registration slips from ration books (for children and mothers) or the presentation of a medical certificate (by invalids).

Citrus Fruits. The Citrus Fruits Order (1944) which required all citrus fruit growers in N.S.W. to provide certain percentages of their products to juice manufacturers ceased to apply (inclusive of previous directions) as from Jan. 30, 1945. Most of the current season's crop has been marketed.

Meat. Australian production of meat in 1945 is expected by Food Control to be about 900,000 tons. In 1944 meat production was 1,020,000 tons.

Food for U.S.A. Forces. Food to be supplied for U.S.A. Pacific Forces in 1945 is expected to be of a value of £35 m. compared with £40 m. in 1944. A larger proportion of meat and flour for these Forces is expected to be drawn this year from the United States.

PART II. FINANCE AND TRADE.

General. An Indian industrial mission is to visit Australia shortly to prepare for post-war trade between Australia and India. Post-war trade questions are to be discussed by an Australian trade mission to visit New Zealand.

On January 24, 1945, the import licensing provisions were relaxed in respect of a limited number of commodities. Amongst the items exempt from licensing for import from sterling countries were replacement parts for agricultural machinery and implements, and for musical instruments of several types; piston pins, rings and valves for stationary and marine engines, fibreboard, a number of chemicals, etc. Imports from these countries under quota may be made of coir mats and matting (200% quota) manufactured stationery (100%), synthetic perfumes and certain materials for perfumes, writing ink and printing and stencilling ink (50%) and flypapers (25%). For importation from non-sterling countries licenses may be issued freely for dates, piston pins, rings and valves for stationary and marine engines, and replacement parts for musical instruments, etc., and 100 per cent. quotas now apply to alarm clocks, fire hose, fibre board, etc.

Commenting on the amendments the Minister for Trade and Customs observed that "Recent changes in the war position emphasise that the time is not opportune for any general lifting of wartime controls."

Commonwealth Accounts. Commonwealth expenditure in December, 1944 (£47.6 m.) was £12.8 m. less than in Dec., 1943 and £2.9 m. less than in Nov., 1944.

War (1939-44) expenditure in the six months ended December was £48.5 m. (or 48 per cent.) less this year than in 1943. In the six months of 1944 the proportion of total war expenditure of £233.2 m. met from Revenue fund was 38.3 per cent, compared with 24.5 per cent. of £281.7 m. in the corresponding months on 1943; there was an actual increase of £20.5 m. in war expenditure from Revenue, and a decrease in such expenditure of £69 m. from Loan Fund. Ordinary Departmental expenditure was much the same in both periods.

Revenue collections were £21.25 m. greater in July-Dec., 1944 than in the corresponding six months of last year. An increase of £20.43 m. for Income Tax was the main contributory; other significant increases were in Sales Tax (£621,000) Customs (£214,000) Entertainments (£213,000) and Estate Duty (£219,000). Excise was £238,000 lower and Land Tax £75,000 lower.

COMMONWEALTH EXPENDITURE.

(Excluding Income Tax re-imbursed to States.)
£ millions.

Service.	Month of December.		Six months ended December.		
	1943	1944	1943	1944	Increase (+) or Decrease (-)
War (1939) from -					
Revenue	11.9	12.9	69.0	89.5	(+) 20.5
Loan Fund.	37.9	23.5	212.7	143.7	(-) 69.0
Total War.	49.8	36.4	281.7	233.2	(-) 48.5
Other Revenue Services.	10.6	11.2	58.0	58.3	(+) 0.3
Total, All Services	60.4	47.6	339.7	291.5	(-) 48.2

During December, 1944, Treasury bills outstanding on Commonwealth account increased by £20 m. to £367.3 m. which was £5 m. in excess of the total at the end of 1943. Between June and the end of the calender year there was an increase of £24m. this year compared with an increase of £103 m. in the last six months of 1943.

Treasury Bills Outstanding in Australia on Commonwealth Account.

<u>Year.</u>		<u>June</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1943	£ million	259.3	325.3	341.3	341.3	362.3
1944	£ million	343.3	378.3	338.3	347.3	367.3

N.S.W. State Accounts. Some unusual movements appeared in N.S.W. Government accounts for December, 1944, which, at present, render comparison with normal periods unsatisfactory. The effects of the special entries are seen in the Consolidated Revenue Fund in which General Miscellaneous Receipts rose from £1.34 m. in July-Nov. by £3.57 m. to £4.91 m. in Dec., while Ordinary Votes of Departments increased by £5.51 m. to £13.04 m. The combined accounts as published show a regression of £398,000 for the six months of this year compared with July-Dec., 1943, but until details are available the significance of the movement cannot be assessed.

Some falling off in "war" traffic, the drought and reduced mileage due to the coal position are factors in decreases of £1.94 m. in receipts and £1.86 m. in expenditure of the railways in July-Dec., 1944 compared with the corresponding period of 1943. Over the same months, Tram and Bus revenue increased by £28,000 and expenditure was £16,000 lower. Accounts for Sydney Harbour showed a net improvement of £61,000, and those of the Main Roads Department a regression of £182,000.

NEW SOUTH WALES GOVERNMENT ACCOUNTS.

Six months ended December.

<u>Accounts.</u>	<u>1943</u>	<u>1944</u>	<u>Increase (+) or Decrease (-)</u>
	£000	£000	£000
Revenue - Consolidated Fund			
/ Business Undertakings	11,552	14,830	(+) 3,278
Main Roads	21,541	19,715	(-) 1,826
	1,289	1,145	(-) 144
	Total	34,382	(+) 1,308
Expenditure - Consolidated Fund			
/ Business Undertakings	18,933	22,343	(+) 3,410
Main Roads	16,763	15,022	(-) 1,741
	1,292	1,329	(+) 37
	Total	36,988	(+) 1,706
Excess of Expenditure	2,606	3,004	(+) 398

/ Railways, Trams and 'Buses, Road Transport and Traffic Fund, and Sydney Harbour.

Trading Banks. Returns of the trading banks for November, 1944 revealed continuance of the general trends of the war period - accumulating deposits, declining advances, an increasing proportion of bank earnings from fixed securities and Treasury bills, and mounting Special Wartime Deposits with the Commonwealth Bank. Apart from a reduction in Coin, Notes and Cash at Commonwealth Bank of £1.5 m. accompanied by an increase of £1.4 m. in Treasury bills, movements from October to November, 1944 were more or less alike in pattern and magnitude to those of Oct.-Nov., 1943.

In Nov., 1944, the ratio of advances to deposits was 38.2 per cent. compared with 48.9 per cent. in Nov., 1943 and contrasting with 91.7 per cent. in June, 1939. A comparison over the war period shows striking changes in the relationship between banks' liabilities as represented by deposits, and assets:-

June, 1939. Nov., 1943. Nov. 1944.

Ratio to Total Deposits.

(a) Coin, Notes, Cash at Commonwealth Bk. & Treasury bills.	16.5%	20.6%	17.8%
(b) (a) plus Govt. Securities and Special War Time Deposits.	23.5%	62.7%	71.1%

Between Nov., 1943 and Nov., 1944, Special War Time Deposits increased by £66.9 m., following upon an increase of £69.2 m., in the preceding twelve months.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.
£ million.

Av. of Weekly Figures	Deposits.		Total	Coin, Notes, etc. & Cash at C'wealth Bank.	Treas- ury Bills.	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C'wealth Bank	Advances, Discounts, etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)						
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1940 "	210.3	135.1	345.4	31.1	38.3	43.7	-	289.9
1941 "	204.9	155.1	360.0	33.3	36.1	61.9	-	283.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1944 "	219.9	314.6	534.5	38.0	55.4	89.1	182.8	221.8
1943-Aug.	205.1	259.7	464.8	40.0	57.2	76.0	104.7	243.4
Sep.	205.9	265.7	471.6	39.0	58.8	77.6	111.1	241.6
Oct.	207.2	270.4	477.6	37.0	59.7	78.1	119.1	239.8
Nov.	207.8	274.5	482.3	39.2	60.0	79.1	124.1	235.9
1944-Aug.	221.3	313.8	535.1	37.6	57.4	95.7	182.8	214.0
Sep.	221.4	321.2	542.6	37.7	57.6	100.0	183.1	215.0
Oct.	222.1	329.6	551.7	38.4	62.4	101.4	185.3	216.3
Nov.	223.9	331.5	555.4	36.9	62.0	104.8	191.0	212.0

Bank Clearings. The Index of Bank clearings in Sydney in December, 1944 (152) was about the same as for the preceding month (153) and compared with 136 and 150 in December, 1942, and 1943 respectively.

Total clearings (less Treasury bill transactions) in 1944 were £1500 m. This was about 4 per cent. greater than the total for 1943 which in turn was $15\frac{1}{2}$ per cent. greater than in 1942. An appreciable part of the increase in bank clearings of 60 per cent. between 1939 and 1944 is attributable to the rise in prices between 1939 and 1943.

INTER-BANK CLEARINGS SYDNEY.

Period	Amount of Clearings £				Index +			
	1939.	1942.	1943.	1944.	1939.	1942.	1943.	1944.
	£m	£m	£m	£m				
June	80.3	116.6	132.6	140.1	101	133	163	166
July	71.2	99.7	114.3	122.9	98	130	155	168
Aug.	74.9	99.0	122.7	127.4	99	135	160	169
Sep.	74.9	105.6	116.5	120.9	99	134	155	163
Oct.	78.0	115.0	115.5	123.7	100	138	152	159
Nov.	86.1	105.0	129.3	126.3	102	135	149	153
Dec.	91.7	121.7	127.3	127.6	106	136	150	152
Year	932.4	1,248.5	1,442.3	1,499.6	100	131	151	156

£ Treasury Bill transactions deducted. + Three months moving average;
Base, average in corresponding month 1926-1930 = 100.

Stock Exchange. There was a significant increase in new share capital issues in 1944. Under the new policy (announced in October, 1944) approval is given to proposals endorsed by the Secondary Industries Commission and the Dept. of War Organisation of Industry as likely to facilitate post-war industrial expansion and rehabilitation.

New capital issues approved in 1944 totalled £2.82 m. Of this £1.125 m. (for Adelaide Electric Supply Co. Ltd.) was approved early in the year, and the greater part of the balance represented issues made in the last quarter. The amount of new share capital for public subscription in 1942 and 1943 was only £510,000 and £670,000, respectively, compared with an annual average of £4.91 m. in the years 1935 to 1939.

On the Sydney Stock Exchange, the average value of ordinary company shares declined progressively between September, 1941 and April, 1942, and subsequently appreciated almost uninterruptedly. In December, 1944, at 93 per cent. above par value, share prices were at the highest level ever recorded and approximately at the permitted ceilings, showing no significant change between November and December, 1944.

Index of Share Prices - Sydney.
Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician.)

Average for Month -	Manufacturing and Distributing	Retail	Public Utilities	Pastoral and Finance	Insurance	Total 75 Companies	34 Active Shares
1937-Mar.	214	204	181	169	281	190	201
1939-Aug.	213	168	156	118	264	174	182
1941-Sept.	228	177	142	128	253	175	191
1942-Apr.	176	139	118	112	212	141	150
1943-Dec.	237	194	148	135	254	185	200
1944-June	237	194	150	139	254	186	201
Oct.	240	202	161	145	263	192	207
Nov.	240	203	163	145	264	192	207
Dec.	240	203	162	146	264	193	207

Real Estate. Transfers of real estate and mortgages registered in December, 1944, were above the value in December of 1942 or 1943. The value of transfers registered in 1944 (£19.46 m.) was £1.92 m. or 10.9 per cent. greater than in 1943, but, comparing the latter half of each year there was an increase from £9.41 m. to £11.27 m. or of 19.7 per cent. The slight easing of Treasury restrictions as regards purchase of land may have contributed to the increase in registrations in the closing months of 1944.

Mortgages of real estate registered in 1944 were 19.3 per cent. above the value in 1943; over the latter half of the year the amount was 26.2 per cent. greater this than last year.

REAL ESTATE TRANSACTIONS, N.S.W.

Thousand £

Month.	Transfers Registered				Mortgages (Incl. Renewals)			
	1939	1942	1943	1944	1939	1942	1943	1944
Apr.	2,245	2,276	1,517	931	2,025	891	536	302
May	3,090	1,154	1,185	1,307	2,112	526	381	495
June	2,613	1,266	1,358	1,809	1,658	599	400	687
July	2,919	1,540	1,783	1,992	1,950	622	399	542
Aug.	3,068	1,671	1,379	2,241	2,770	451	450	723
Sep.	2,934	1,616	1,551	1,772	1,501	516	432	597
Oct.	2,331	1,514	1,549	1,654	1,713	423	618	634
Nov.	2,381	1,942	1,558	1,899	1,702	530	558	529
Dec.	2,067	1,260	1,592	1,708	1,344	562	494	699
Year	32,157	21,609	17,542	19,462	22,434	8,007	5,756	6,866

Retail Prices. In December quarter, 1944 Index numbers of Retail Prices ("C" Series) were practically identical with those of the last quarter of 1943. The Commonwealth prices stabilisation policy was announced in April, 1943. Between December Qr. 1939 and June Qr., 1943 the "C" Series Index number (weighted average) for six Capital Cities rose from 926 to 1143 (or by 23½%), but subsequently the upward trend of prices was reversed slightly, the Index number for December Qr., 1944 being 1126 or 1.5 per cent. below that of June Qr., 1943.

Compared with September Qr., 1944, there were decreases ranging from 0.5% in Perth and 0.4% in Hobart to 0.3% in Sydney and Adelaide and 0.2% in Melbourne and Brisbane. The Index numbers for the Six Capitals, and for Thirty Cities and Towns (incl. Capitals) combined, each decreased by 0.3%. The decreases were due mainly to reductions in the price of meat and the seasonally lower price of eggs.

RETAIL PRICES # (INDEX NUMBERS). "C" SERIES.

(cost of food, groceries, housing, clothing, miscellaneous items.)

Area.	December Quarter.				1943			1944	
	1939	1940	1941	1942	June Qr. +	Sept. Qr.	Dec. Qr.	Sept. Qr.	Dec. Qr.
<u>N.S.W.</u>									
Sydney	943	1008	1048	1,138	1165	1154	1,143	1146	1,142
Five Towns (wtd.av.)	940	1005	1045	1,135	1162	1151	1,139	1142	1,138
<u>AUSTRALIA.</u>									
Six Capitals {" "}	926	986	1029	1,122	1143	1133	1,123	1129	1,126
Thirty Towns {" "}	923	983	1026	1,117	1140	1130	1,120	1125	1,122

Base : Weighted average in six capital cities; 1923-1927 = 1000.

+ War-Time peak.

The following table illustrates the course of retail prices in Sydney as disclosed by group index numbers during the war period, distinguishing movements prior to and since adoption of price stabilisation measures in June Qr., 1943. It will be noted that prices of Food and Groceries and of Clothing have fallen a little (by 4% and 2.6% respectively) since June Qr., 1943; the pegging of rents has been effective over the full period, and the rising trend of "Miscellaneous Items" has been halted. Movements in the Index numbers between September and December Qrs., 1944 were unimportant:-

PERCENTAGE MOVEMENT IN GROUP INDEX NUMBERS FOR SYDNEY.

Increase (+) Decrease (-)

Period.	Food and Groceries.	Increase (+) Decrease (-)			Total.
		%	%	%	
Sept. 1939 to June 1943	(+) 14.5	(+) 0.3	(+) 75.9	(+) 23.7	(+) 24.9
June 1943 to Dec. 1944	(-) 4.0	...	(-) 2.6	(+) 0.6	(-) 2.0

Basic wage rates, ruling from the first pay period in February, 1945 are (per week) 99s. in Sydney, 98s. in Melbourne, 93s. in each Adelaide, Brisbane and Perth and 94s. in Hobart. These rates are unchanged from those of the preceding quarter, excepting that in Perth there is a decrease of 1s. These are predominant rates, but the rate of Crown employees in N.S.W. which was 98s. in Nov-Jan., 1944-45, returns to 97s. which ruled from February to October, 1944.

